



4004

**ANNUAL REPORT**

OF

Name: HILLSBORO TELEPHONE CO, INC.

Principal Office: 121 MILL ST  
P.O. BOX 427  
HILLSBORO, WI 54634-0427

For the Year Ended: DECEMBER 31, 1999

TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## **GENERAL RULES FOR REPORTING**

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

## SIGNATURE PAGE

I MR. CHARLES HAMMER of  
(Person responsible for accounts)

HILLSBORO TELEPHONE CO, INC. , certify that I  
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

MR. CHARLES HAMMER 04/03/2000  
(Person responsible for accounts) (Date)

VICE PRESIDENT-MANAGER  
(Title)

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## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Access Line</b>	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
<b>Analog Signal</b>	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
<b>Cellular System</b>	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
<b>Central Office</b>	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
<b>Centrex</b>	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
<b>Channel</b>	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
<b>Feature Group A</b>	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Feature Group B</b>	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
<b>Feature Group C</b>	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
<b>Feature Group D</b>	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
<b>FX-IN</b>	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
<b>FX-OUT</b>	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
<b>Host Switching System</b>	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Route Miles</b>	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
<b>Trunk</b>	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
<b>Wide Area Telephone Service (WATS)</b>	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
<b>Wire Center</b>	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

## ABBREVIATIONS USED IN ANNUAL REPORTS

<b>Acct</b>	.....	Account
<b>Accum</b>	.....	Accumulated
<b>Acq</b>	.....	Acquisition
<b>Admin</b>	.....	Administrative
<b>Alloc</b>	.....	Allocation
<b>Amort</b>	.....	Amortization
 <b>CO</b>	 .....	 Central Office
 <b>Depr</b>	 .....	 Depreciation
 <b>Equip</b>	 .....	 Equipment
<b>Exp</b>	.....	Expenses
<b>EOY</b>	.....	End of Year
 <b>FOY</b>	 .....	 First of Year
 <b>Info</b>	 .....	 Information
<b>ITC</b>	.....	Investment Tax Credit
 <b>Misc</b>	 .....	 Miscellaneous
 <b>Nonoper</b>	 .....	 Nonoperating
<b>Nonreg</b>	.....	Nonregulated
 <b>Oper</b>	 .....	 Operating
<b>Opns</b>	.....	Operations
<b>Orig</b>	.....	Originating
 <b>Prop</b>	 .....	 Property
 <b>Receiv</b>	 .....	 Receivable
<b>Reg</b>	.....	Regulated
<b>Rev</b>	.....	Revenues
 <b>Svcs</b>	 .....	 Services
 <b>Telecom</b>	 .....	 Telecommunications
<b>Term</b>	.....	Terminating
<b>TPIS</b>	.....	Telecommunications Plant in Service
<b>TPUC</b>	.....	Telecommunications Plant Under Construction
 <b>Uncoll</b>	 .....	 Uncollectible



## IDENTIFICATION AND OWNERSHIP

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**Exact Utility Name:** HILLSBORO TELEPHONE CO, INC.  
**Utility Location:** 121 MILL ST  
P.O. BOX 427  
HILLSBORO, WI 54634-0427

**Utility Web Site Address:**

**When was utility organized?:** 06/30/1956

**Report any change in name and the effective date:**

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**Officer in charge of correspondence concerning this report**

**Name:** MR CHARLES HAMMER  
**Title:** VICE PRESIDENT - MANAGER

**Office Address:** 121 MILL STREET  
P.O. BOX 427  
HILLSBORO, WI 54634

**Fax Number:** (608) 489 - 1111  
**Telephone Number:** (608) 489 - 2100  
**Email Address:**

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**Individual or firm, if other than utility employee, preparing this report**

**Name:** MR DENNIS E. HILDEBRANDT  
**Title:** CERTIFIED PUBLIC ACCOUNTANT  
**Firm:** SIEPERT & CO. LLP  
**Office Address:** 1920 WEST HART ROAD  
BELOIT, WI 53511

**Fax Number:** (608) 364 - 8727  
**Telephone Number:** (608) 365 - 2266  
**Email Address:** Siepert@elknet.net

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**Person responsible for financial information contained in report**

**Name:** MR CHARLES HAMMER  
**Title:** VICE PRESIDENT - MANAGER

**Office Address:** 121 MILL STREET  
P.O. BOX 427  
HILLSBORO, WI 54634

**Fax Number:** (608) 489 - 1111  
**Telephone Number:** (608) 489 - 2100  
**Email Address:**

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**Person responsible for statistical information contained in report**

**Name:** MR CHARLES HAMMER  
**Title:** VICE PRESIDENT - MANAGER

**Office Address:** 121 MILL STREET  
P.O. BOX 427  
HILLSBORO, WI 54634

**Fax Number:** (608) 489 - 1111  
**Telephone Number:** (608) 489 - 2100  
**Email Address:**

## IDENTIFICATION AND OWNERSHIP

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List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

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**Name:** CARLA SHAKER  
**Address:** 121 MILL STREET  
HILLSBORO, WI 54634

**Number of Shares Held:** 57  
**Beneficial Owner:** NONE

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**Name:** EDWARD & LILLIAN HAMMER  
**Address:** 121 MILL STREET  
HILLSBORO, WI 54634

**Number of Shares Held:** 417  
**Beneficial Owner:** NONE

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**Name:** EUGENE ROCKWEILER  
**Address:** 850 HILLSBOROUGH AVENUE  
HILLSBORO, WI 54634

**Number of Shares Held:** 52  
**Beneficial Owner:** NONE

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**Name:** UNIVERSAL TELEPHONE CO.  
**Address:** 2615 EAST AVENUE SOUTH  
LA CROSSE, WI 54602

**Number of Shares Held:** 250  
**Beneficial Owner:** NONE

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List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

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**Company Name:** NONE  
**Form of Interest:** NONE  
**Extent Of Interest:** NONE

**INCOME STATEMENT - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Operating Revenues (5000-5300)	1,382,142	1,187,155	<b>1</b>
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	209,064	162,743	<b>2</b>
Plant Nonspecific Operations Expense	412,356	444,302	<b>3</b>
Customer Operations Expense (6610-6620)	145,332	130,909	<b>4</b>
Corporate Operations Expense (6710-6790)	227,143	228,013	<b>5</b>
Other Operating Income and Expense (7100)	0	0	<b>6</b>
Operating Taxes (7200)	172,179	104,118	<b>7</b>
<b>Total Operating Expenses</b>	<b>1,166,074</b>	<b>1,070,085</b>	<b>8</b>
<b>Net Operating Income</b>	<b>216,068</b>	<b>117,070</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	369,765	289,284	<b>10</b>
Nonoperating Taxes (7400)	145,234	113,385	<b>11</b>
Interest and Related Items (7500)	94,995	76,918	<b>12</b>
Extraordinary Items (7600)	0	0	<b>13</b>
Nonregulated Net Income (7990)	55,495	25,687	<b>14</b>
<b>Total Nonoperating Income</b>	<b>185,031</b>	<b>124,668</b>	<b>15</b>
<b>Net Income</b>	<b>401,099</b>	<b>241,738</b>	<b>16</b>

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

- 
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

**1. SIGNIFICANT ACCOUNTING POLICES:**

**A. TELEPHONE PLANT IS RECORDED AT ORIGINAL COST. DEPRECIATION IS COMPUTED ON THE STRAIGHT-LINE BASIS BY APPLYING A RATE TO GROUP ACCOUNT ASSETS.**

**B. THE COMPANY HAS ELECTED TO DEFER INCOME TAX SAVINGS EARNED BY INVESTMENT TAX CREDIT AND IS AMORTIZING THOSE OVER THE SERVICE LIFE ON WHICH THE ITC WAS GENERATED.**

**C. FOR INCOME TAX PURPOSES, THE COMPANY UTILIZES ACCELERATED METHODS FOR DEPRECIATION. THE INCOME TAX SAVINGS ON THESE TIMING DIFFERENCES HAS BEEN NORMALIZED THROUGH INCOME TAX EXPENSE.**

**D. THE COMPANY HAS A DEFINED CONTRIBUTION PENSION PLAN WHICH IS ADMINISTERED BY A TRUSTEE AND COVERS ALL ELIGIBLE EMPLOYEES. PENSION PLAN EXPENSE FOR 1999 AMOUNTED TO \$38,310.**

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.
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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	1,116,411	531,359	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>1,116,411</b>	<b>531,359</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	80,282	87,734	6
Accounts Receivable Allowance-Telecom (1181)*			7
<b>Net: Telecommunications Accounts Receivable</b>	<b>80,282</b>	<b>87,734</b>	
Other Accounts Receivable (1190)*	85,573	157,265	8
Accounts Receivable Allowance--Other (1191)*			9
<b>Net: Other Accounts Receivable</b>	<b>85,573</b>	<b>157,265</b>	
Notes Receivable (1200)*		0	10
Notes Receivable Allowance (1201)*		0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*	3,216	2,714	12
<b>TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS</b>	<b>169,071</b>	<b>247,713</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	22,840	40,435	13
<b>TOTAL SUPPLIES</b>	<b>22,840</b>	<b>40,435</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*	16,988	15,212	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
<b>TOTAL PREPAYMENTS</b>	<b>16,988</b>	<b>15,212</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*			20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>1,325,310</b>	<b>834,719</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	144,000	122,000	21
RTB Class B Stock (1402)*			22
Other Investments in Nonaffiliated Companies (1402)*			23
Nonregulated Investments (1406)*	93,751	95,145	24
Unamortized Debt Issuance Expense (1407)*	14,469	10,641	25
Sinking Funds (1408)*		0	26

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410)*	632,195	613,195	27
<b>TOTAL INVESTMENTS</b>	<b>884,415</b>	<b>840,981</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*		0	29
Deferred Charges (1439)*			30
<b>TOTAL DEFERRED CHARGES</b>	<b>0</b>	<b>0</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>884,415</b>	<b>840,981</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	5,284,511	4,350,181	31
Less: Accumulated Depreciation (3100)*	3,165,085	2,968,682	32
Less: Accumulated Amortization--Capitalized Leases (3410)*			33
Less: Accumulated Amortization--Leasehold Improvements (3420)*			34
Less: Accumulated Amortization--Intangible (3500)*			35
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>2,119,426</b>	<b>1,381,499</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*	70,913	20,655	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			37
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>70,913</b>	<b>20,655</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*		11,031	38
Less: Accumulated Depreciation--Nonoperating (3300)*		7,474	39
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>3,557</b>	
<b>TPUC</b>			
TPUC (2003)*	52,477	583,665	40
<b>TOTAL TPUC</b>	<b>52,477</b>	<b>583,665</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*			42
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>2,242,816</b>	<b>1,989,376</b>	
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>4,452,541</b>	<b>3,665,076</b>	

**BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	248,657	71,079	1
Notes Payable (4020)*		150,000	2
Advance Billing and Payments (4030)*	23,034	148,495	3
Customer Deposits (4040)*	2,000	3,300	4
Current Maturities--Long-Term Debt (4050)*	78,100	71,600	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	44,908	71,895	7
Other Taxes--Accrued (4080)*	(2,363)	(6,078)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	6,880	7,858	11
Other Current Liabilities (4130)*			12
<b>TOTAL CURRENT LIABILITIES</b>	<b>401,216</b>	<b>518,149</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	1,933,143	1,452,250	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*		0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*		0	19
<b>TOTAL LONG-TERM DEBT</b>	<b>1,933,143</b>	<b>1,452,250</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*	102,799		20
Unamortized Operating ITC--Net (4320)*	11,782	16,694	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	(20,571)	(22,029)	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(324,749)	(250,796)	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*	11,431	11,431	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>(219,308)</b>	<b>(244,700)</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	108,900	108,900	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	5,300	5,300	30
Other Capital (4540)*			31
Retained Earnings (4550)*	2,233,890	1,835,777	32
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>2,337,490</b>	<b>1,939,377</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>4,452,541</b>	<b>3,665,076</b>	

### **IMPORTANT CHANGES DURING THE YEAR**

- 
1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

**NONE**

- 
2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.



### **AFFILIATE ABBREVIATIONS**

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
COMPUTER SYSTEMS, LLC	CS	1

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

<b>Particulars</b>				
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>
Docket	2560AT000100			
Name of Affiliate	CS			<b>1</b>
Designate whether billed to or from:	FROM			<b>2</b>
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M			<b>3</b>
Total Dollar Activity	60,235			<b>4</b>
Percent of affiliate's business billed to all affiliated regulated utilities	61.86			<b>5</b>
If cost based, rate of return on equity or markup incorporated in billings				<b>6</b>
Footnotes				

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	20,624		1
Motor Vehicles	2112	407,992	33,479	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	97,901		6
Buildings	2121	222,694		7 A
Furniture	2122	5,472		8
Office Equipment	2123	21,987	4,552	9
General Purpose Computers	2124	128,750	25,791	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>905,420</b>	<b>63,822</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	737,090	757,210	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	443,355	81,259	16
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>1,180,445</b>	<b>838,469</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>0</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	0		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	10,912	0	24
Buried Cable	2423	2,209,632	161,717	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	43,334		30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>2,263,878</b>	<b>161,717</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111			20,624	1
2112			441,471	2
2113			0	3
2114			0	4
2115			0	5
2116			97,901	6
2121		11,031	233,725	7 A
2122			5,472	8
2123	0	0	26,539	9
2124			154,541	10
	0	11,031	980,273	
2211			0	11
2212	76,708	0	1,417,592	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	61,297	0	463,317	16
	138,005	0	1,880,909	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	0	
2411			0	22
2421	0	0	0	23
2422	0	0	10,912	24
2423	2,704	0	2,368,645	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			43,334	30
	2,704	0	2,422,891	
2681			0	31

## TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682	0	<b>32</b>
Intangibles	2690	438	<b>33</b>
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>438</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>4,350,181</b>	<b>1,064,008</b>
Less: Allocation to Nonregulated Activity - EOY	2001		<b>34</b>
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			0	32
2690			438	33
	0	0	438	
	140,709	11,031	5,284,511	
2001			0	34
			5,284,511	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	15,221		<b>1</b>
Company Communications Equipment	2123.2	6,766	4,552	<b>2</b>
Software	2212.1	0		<b>3</b>
Digital Switching - Central Office	2212.2	737,090	757,210	<b>4</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	0		<b>6</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	0		<b>9</b>
Digital Circuit Equipment	2232.1	275,025	13,615	<b>10</b>
Analog Circuit Equipment	2232.2	102,539		<b>11</b>
Light Wave Circuit Equipment	2232.3	65,791	67,644	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>13</b>
Aerial Cable - Metallic	2421.2	0		<b>14</b>
Underground Cable - Nonmetallic	2422.1	0		<b>15</b>
Underground Cable - Metallic	2422.2	10,912		<b>16</b>
Buried Cable - Nonmetallic	2423.1	437,642	10,441	<b>17</b>
Buried Cable - Metallic	2423.2	1,771,990	151,276	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**  
(cont.)

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1			15,221	1
2123.2			11,318	2
2212.1			0	3
2212.2	76,708		1,417,592	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	8,971		279,669	10
2232.2	52,326		50,213	11
2232.3			133,435	12
2421.1			0	13
2421.2			0	14
2422.1			0	15
2422.2			10,912	16
2423.1			448,083	17
2423.2	2,704		1,920,562	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22



**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	353,664	10.3	22,620	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	95,446	10.0	1,159	5
Buildings	2121	134,106	3.33	7,852	6B
Furniture	2122	4,400	4.9	268	7
Office Equipment	2123	18,846	9.3999	1,495	8
General Purpose Computers	2124	70,777	25.0	33,850	9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>677,239</b>		<b>67,244</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	726,133	7.37	104,502	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	237,305	11.15	38,317	15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>963,438</b>		<b>142,819</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	0			20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>0</b>		<b>0</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	0			21
Aerial Cable	2421	0			22
Underground Cable	2422	10,316	5.3	595	23
Buried Cable	2423	1,291,946	5.3	118,025	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

## ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	25,743	3.3	1,430	29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>1,328,005</b>		<b>120,050</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>2,968,682</b>		<b>330,113</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
<b>Net Regulated Total Accum Depreciation - 3100</b>					
<b>Columns e, f and I</b>					

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2112					376,284	1
2113					0	2
2114					0	3
2115					0	4
2116					96,605	5
2121				7,474	149,432	6 B
2122					4,668	7
2123	0				20,341	8
2124					104,627	9
	0	0	0	7,474	751,957	
2211					0	10
2212	76,708				753,927	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	61,297				214,325	15
	138,005	0	0	0	968,252	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	0	
2411					0	21
2421	0				0	22
2422	0				10,911	23
2423	2,704	475			1,406,792	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					27,173	29
	2,704	475	0	0	1,444,876	
<b>3100</b>	<b>140,709</b>	<b>475</b>	<b>0</b>	<b>7,474</b>	<b>3,165,085</b>	
3100						30
<b>3100</b>						

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)**

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
Office Support Equipment	2123.1	15,221	15.0		<b>1</b>
Company Communications Equipment	2123.2	3,625	20.0	1,495	<b>2</b>
Software	2212.1	0			<b>3</b>
Digital Switching - Central Office	2212.2	726,133	9.7	104,502	<b>4</b>
Digital Switching - Remote	2212.3	0			<b>5</b>
Step by Step Switching	2215.1	0			<b>6</b>
Crossbar Switching	2215.2	0			<b>7</b>
Satellite and Earth Station Facilities	2231.1	0			<b>8</b>
Other Radio Facilities	2231.2	0			<b>9</b>
Digital Circuit Equipment	2232.1	97,849	11.6	32,063	<b>10</b>
Analog Circuit Equipment	2232.2	102,539	21.0		<b>11</b>
Light Wave Circuit Equipment	2232.3	36,917	9.5	6,254	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0			<b>13</b>
Aerial Cable - Metallic	2421.2	0			<b>14</b>
Underground Cable - Nonmetallic	2422.1	0			<b>15</b>
Underground Cable - Metallic	2422.2	10,316	5.3	595	<b>16</b>
Buried Cable - Nonmetallic	2423.1	96,269	5.3	23,187	<b>17</b>
Buried Cable - Metallic	2423.2	1,195,677	5.3	94,838	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0			<b>19</b>
Submarine Cable - Metallic	2424.2	0			<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0			<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0			<b>22</b>

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1					15,221	1
2123.2					5,120	2
2212.1					0	3
2212.2	76,708				753,927	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	8,971				120,941	10
2232.2	52,326				50,213	11
2232.3					43,171	12
2421.1					0	13
2421.2					0	14
2422.1					0	15
2422.2					10,911	16
2423.1					119,456	17
2423.2	2,704	475			1,287,336	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

**NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)**

This schedule should be used to report the deferred operating income tax portion of the stated accounts.  
Credit amounts should be shown in ( ).

Particulars (a)	Balance EOY (b)	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)		3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)	13,366	5
Net Deferred Tax Liability Adjustments (4341)		6
Deferred Tax Regulatory Liability (4361)	(13,360)	7
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>6</b>	
Less: Allocation to Nonregulated Activity	0	8
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>6</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350)		9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)	7,205	13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)	1,929	15
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>9,134</b>	

### RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,835,777	1,600,255	1
<b>Changes:</b>			
Balance Transferred from Income	404,329	241,738	2
<b>Dividends Declared:</b>			
Common	6,216	6,216	3
Preferred		0	4
<b>Total Dividends Declared</b>	<b>6,216</b>	<b>6,216</b>	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
<b>Balance--End of Year</b>	<b><u>2,233,890</u></b>	<b><u>1,835,777</u></b>	



**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	490,054	408,154	1 C
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>490,054</b>	<b>408,154</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	81,004	77,518	11
Switched Access Revenue (5082)*	432,864	331,634	12 D
Special Access Revenue (5083)*			13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>513,868</b>	<b>409,152</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	311,097	291,836	15
Special Access Revenue (5084.3)*			16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>311,097</b>	<b>291,836</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*	447	609	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>447</b>	<b>609</b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230)*	8,920	9,013	<b>30</b>
Rent Revenue (5240)*			<b>31</b>
Corporate Operations Revenue (5250)*			<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260)*	8,653	8,776	<b>33</b>
Special Billing Arrangements Revenue (5261)			<b>34</b>
Customer Operations Revenue (5262)			<b>35</b>
Plant Operations Revenue (5263)			<b>36</b>
Other Incidental Regulated Revenue (5264)			<b>37</b>
Other Revenue Settlements (5269)			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>8,653</b>	<b>8,776</b>	
Interstate Billing and Collection Revenue*	8,888	11,923	<b>39</b>
Intrastate Billing and Collection Revenue*	40,094	47,397	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>48,982</b>	<b>59,320</b>	
Nonregulated Operating Revenue (5280)**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>66,555</b>	<b>77,109</b>	
<b>GROSS OPERATING REVENUES</b>	<b>1,382,021</b>	<b>1,186,860</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	(121)	(295)	<b>42</b>
Uncollectible Revenue--Telecommunications (5301)			<b>43</b>
Uncollectible Revenue--Other (5302)			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>(121)</b>	<b>(295)</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>1,382,142</b>	<b>1,187,155</b>	

\*\* Account 5280 is to be used only by those companies subject to dual jurisdiction.

**EXPENSES - CLASS A & B**

<b>Particulars (a)</b>	<b>Total This Year (b)</b>	<b>Total Last Year (c)</b>	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Total Network Support Expense ( 6110 )		0	1
Less: Nonregulated		0	2
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>3</b>
Total General Support Expense ( 6120 )	67,929	55,777	4
Less: Nonregulated		0	5 E
<b>Net Regulated</b>	<b>67,929</b>	<b>55,777</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	66,786	42,667	7
Less: Nonregulated		0	8 F
<b>Net Regulated</b>	<b>66,786</b>	<b>42,667</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )		0	10
Less: Nonregulated		0	11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	23,049	10,244	13
Less: Nonregulated		0	14 G
<b>Net Regulated</b>	<b>23,049</b>	<b>10,244</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )		0	16
Less: Nonregulated		0	17
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	51,300	54,055	19
Less: Nonregulated		0	20
<b>Net Regulated</b>	<b>51,300</b>	<b>54,055</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>209,064</b>	<b>162,743</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>209,064</b>	<b>162,743</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Total Other Property, Plant and Equip. Exp. ( 6510 )		0	22
Less: Nonregulated		0	23
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	74,950	80,052	25
Less: Nonregulated		0	26
<b>Net Regulated</b>	<b>74,950</b>	<b>80,052</b>	<b>27</b>
Access Expense ( 6540 )	5,678	1,948	28
Less: Nonregulated		0	29
<b>Net Regulated</b>	<b>5,678</b>	<b>1,948</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	330,113	364,453	31
Less: Nonregulated	1,615	2,151	32
<b>Net Regulated</b>	<b>328,498</b>	<b>362,302</b>	<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>410,741</b>	<b>446,453</b>	
<b>Less: Nonregulated</b>	<b>1,615</b>	<b>2,151</b>	
<b>Net Regulated</b>	<b>409,126</b>	<b>444,302</b>	

## EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	459	621	34
Less: Nonregulated		0	35
<b>Net Regulated</b>	<b>459</b>	<b>621</b>	<b>36</b>
Total Services ( 6620 )	144,873	130,288	37
Less: Nonregulated		0	38
<b>Net Regulated</b>	<b>144,873</b>	<b>130,288</b>	<b>39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>145,332</b>	<b>130,909</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>145,332</b>	<b>130,909</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	71,801	69,394	40
Less: Nonregulated		0	41
<b>Net Regulated</b>	<b>71,801</b>	<b>69,394</b>	<b>42</b>
Total General and Administrative ( 6720 )	155,342	158,619	43
Less: Nonregulated		0	44
<b>Net Regulated</b>	<b>155,342</b>	<b>158,619</b>	<b>45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )		0	46
Less: Nonregulated		0	47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>227,143</b>	<b>228,013</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>227,143</b>	<b>228,013</b>	
<b>TOTAL EXPENSES</b>	<b>992,280</b>	<b>968,118</b>	
<b>Less: Nonregulated</b>	<b>1,615</b>	<b>2,151</b>	
<b>Net Regulated</b>	<b>990,665</b>	<b>965,967</b>	

### EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. ( 6511 )		0	1
Provisioning Expense ( 6512 )		0	2
<b>Total: Reported in Account 6510</b>	<b>0</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	330,113	364,453	3
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )		0	4
Amortization Expense--Tangible ( 6563 )		0	5
Amortization Expense--Intangible ( 6564 )		0	6
Amortization Expense--Other ( 6565 )		0	7
<b>Total: Reported in Account 6560</b>	<b>330,113</b>	<b>364,453</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (b)	
Gross Operating Revenues	1,382,021	1
Plus: Collection of amounts previously written off	168	2
Less: Uncollectibles written off during the year	48	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b><u>1,382,141</u></b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	490,054	1
Plus: Total Intrastate Access Revenues (5084)	311,097	2
Plus: Total Long Distance Network Services Revenue	447	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): NONE	0	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b><u>801,598</u></b>	

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (b)	
Gross Operating Revenues	1,382,021	1
Plus: Collection of amounts previously written off	168	2
Less: Uncollectibles written off during the year	48	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b><u>1,382,141</u></b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
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Plus: Total Intrastate Access Revenues (5084)	311,097	2
Plus: Total Long Distance Network Services Revenue	447	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): NONE	0	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b><u>801,598</u></b>	

## OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Total Other Oper. Income and (Expense) (7100)			1
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210)	(4,912)	(5,055)	2
Operating Federal Income Taxes (7220)	80,364	70,853	3
Operating State and Local Income Taxes (7230)	14,066	14,761	4
Operating Other Taxes (7240)	81,203	69,924	5
Provision for Deferred Operating Income Taxes--Net (7250)	1,458	(46,365)	6
<b>TOTAL OPERATING TAXES (7200)</b>	<b>172,179</b>	<b>104,118</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310)			7
Interest Income (7320)	24,291	39,348	8
Income from Sinking and Other Funds (7330)			9
Allowance for Funds Used During Construction (7340)	29,307		10
Gains or (Losses) from the Disposition of Certain Property (7350)			11
Other Nonoperating Income (7360)	320,560	250,036	12
Special Charges (7370)	4,393	100	13
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)</b>	<b>369,765</b>	<b>289,284</b>	
<b>NONOPERATING TAXES</b>			
Total Nonoperating Taxes (7400)	145,234	113,385	14
<b>INTEREST AND RELATED ITEMS</b>			
Total Interest and Related Items (7500)	94,995	76,918	15
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600)			16
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)	55,495	25,687	17



## NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

<b>Nonregulated Activity (a)</b>	
INTERNET SERVICES	<b>1</b>
PAYPHONE SERVICES	<b>2</b>
SALES AND LEASING OF TELECOMMUNICATIONS EQUIPMENT	<b>3</b>

## DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	284,650	1
All Other Accounts	34,566	2
<b>Total Salaries and Wages</b>	<b>319,216</b>	3

## TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange	125	243	1
Extended Area Service	117	529	2
Extended Community Calling	10	43	3
Other Local-Undefined			4
<b>Total Local</b>	<b>252</b>	<b>815</b>	
<b>TOLL</b>			
Toll	169	600	5
<b>Total Toll</b>	<b>169</b>	<b>600</b>	
<b>Total Local &amp; Toll</b>	<b>421</b>	<b>1,415</b>	

**ACCESS USAGE**

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.	1	0			2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.			1,064	0	5
Feature Group C -- Term.			1,048	0	6
Feature Group D -- Orig.	1,355	703	682	0	7
Feature Group D -- Term.	1,707	1,694	0	0	8

## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	24	1
Strand miles of plant - fiber optics	233	2
Route miles of plant - microwave		3

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	8	1 H
56 kbps	1	4	2
64 kbps (DS0)	1	0	3 H
1.54 Mbps (DS-1)	1	6	4
45 Mbps (DS-3)	0	3	5 H
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	24	1
Strand miles of plant - fiber optics	233	2
Route miles of plant - microwave		3

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
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56 kbps	1	4	2
64 kbps (DS0)	1	0	3 H
1.54 Mbps (DS-1)	1	6	4
45 Mbps (DS-3)	0	3	5 H
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**SERVICE DATA**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	252	256	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	13	13	6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	137	141	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	9	8	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider			15
Pay Stations - Public			16
- Semi-Public			17
- Cust. Owned			18
Other			19
<b>Total Business Lines</b>	<b>411</b>	<b>418</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	1,267	1,293	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
<b>Total Residential Lines</b>	<b>1,267</b>	<b>1,293</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,678</b>	<b>1,711</b>	<b>28</b>
Company Used Lines	7	7	29
<b>Total Lines Used</b>	<b>1,685</b>	<b>1,718</b>	<b>30</b>

**SERVICE DATA (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA			5
Special Access-intraLATA			6
(expressed in equiv. access lines)	802	2,172	7
Special Access-interLATA			8
(expressed in equiv. access lines)	74	26	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	96	96	13
TSPS - Trunks	7	7	14
EAS - Trunks	96	96	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)	1	1	18
<b>Customers</b>			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical location of plant)			24
	3,444,323	4,303,800	25
Total Company Square Miles	114	114	26
Total Company Route Miles	8	223	27
Footnotes			28
			29
			30



**SERVICE DATA - END OF YEAR**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	2370				1
<b>Business</b>					2
1 Party	256				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks	13				6
Centrex Trunks	---CONF---				7
Centrex Lines					8
Key System Trunks	141				9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	8				13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider					15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
<b>Total Business Lines</b>	<b>418</b>	<b>0</b>	<b>0</b>	<b>0</b>	20
<b>Residential (Incl. Emp. Concess.)</b>					21
1 Party	1,293				22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
<b>Total Residential Lines</b>	<b>1,293</b>	<b>0</b>	<b>0</b>	<b>0</b>	27
<b>Total Bus &amp; Res Lines</b>	<b>1,711</b>	<b>0</b>	<b>0</b>	<b>0</b>	28
Company Used Lines	7				29
<b>Total Lines Used</b>	<b>1,718</b>	<b>0</b>	<b>0</b>	<b>0</b>	30

**SERVICE DATA - END OF YEAR (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	2370				1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA					5
Special Access-intraLATA					6
(equiv. access lines)	2,172				7
Special Access-interLATA					8
(equiv. access lines)	26				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks	96				13
TSPS - Trunks	7				14
EAS - Trunks	96				15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)	1				18
<b>Customers</b>					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical location of plant)	4,303,800				26
Exchange Square Miles	114				27
Exchange Route Miles	223				28
Footnotes					29
					30

## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

## EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
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Electronic--Digital	D	3
Electronic--Video	V	4

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	HILLSBORO				1
PSCW Exchange ID	2370				2
Central Office Name	HILLSBORO				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1985				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID					10
COE Generic Software Release No.	412.20				11
SS7?	Yes				12
9-1-1?	No				13
Access Lines - In Use	1,718				14
- Equipped	1,940				15
- Wired	2,450				16
Trunks - In Use	320				17
- Equipped	432				18
- Wired	624				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	7				25
DS-3 - In Use	3				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) <sup>1</sup>	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	28				33
No. of fiber strands working (LIT) in C.O.	8				34
No. of fiber strands for interoffice use	0				35
Miles of fiber sheath in wire center	24				36
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON				37
- PSCW C.O. ID	3080-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

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### General Footnote

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### Schedule Footnotes

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### Schedule Line Footnotes

- A)** PAGE 23 - BUILDINGS - RECLASS APARTMENT FROM MISCELLANEOUS PHYSICAL PROPERTY TO BUILDINGS AS IT IS NOW BEING USED FOR REGULATED OPERATIONS.
- B)** PAGE 27 - ACCUMULATED DEPRECIATION-BUILDINGS - RECLASS ACCUMULATED DEPRECIATION ON APARTMENT FROM MISCELLANEOUS PHYSICAL PROPERTY ACCUMULATED DEPRECIATION TO ACCUMULATED DEPRECIATION - BUILDINGS.
- C)** PAGE 40 - BASIC LOCAL SERVICE REVENUE - INCREASE DUE TO NEW CUSTOM CALLING FEATURES BEING OFFERED TO CUSTOMERS AND A RATE INCREASE THAT WENT INTO EFFECT IN LATE 1998.
- D)** PAGE 40 - SWITCHED ACCESSCS REVENUE - DIFFERENCE DUE TO AN INCREASE IN NECA SPECIAL ACCESS REVENUE AND CABS REVENUE.
- E)** PAGE 41 - GENERAL SUPPORT EXPENSE - INCREASE DUE TO MORE LABOR AND BENEFITS BEING CODED TO THIS ACCOUNT.
- F)** PAGE 41 - CENTRAL OFFICE SWITCHING EXPENSE - INCREASE DUE TO MORE MISCELLANEOUS REPAIRS, UPGRADES, AND MORE LABOR AND BENEFITS BEING CODED TO THIS ACCOUNT.
- G)** PAGE 41 - CENTRAL OFFICE TRANSMISSION EXPENSE - INCREASE DUE TO A LINK BILLINGS FOR SS7 SERVICES FROM A NEIGHBORING TELEPHONE COMPANY.
- H)** PAGE 49 - SPECIAL ACCESS CIRCUITS - TELEPHONE COMPANY DID NOT HAVE ANY VOICE GRADE INTERLATA, 64 Kbps INTRALATA AND 45 Mbps CIRCUITS AT THE END OF 1999.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

- I) Board of Directors  
HILLSBORO TELEPHONE CO., INC.  
Hillsboro, Wisconsin

The Balance Sheets of Hillsboro Telephone Co, Inc. as of December 31, 1999 and 1998 and the related statements of income for the years then ended included in the accompanying prescribed forms have been compiled by us. We have also compiled the financial and non-financial data included on pages 13 through 56 of the prescribed forms.

Our compilations were limited to presenting in the form prescribed by the Public Service Commission of Wisconsin information which is the representation of management. We have not audited or reviewed the financial statements or accompanying data referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Public Service Commission of Wisconsin and do not include all of the disclosures required by generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

SIEPERT & CO. LLP  
Certified Public Accountants

Beloit, Wisconsin

March 21, 2000